
SHERMAN & HOWARD

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August 29, 2018

Christine Vuletich
Assistant County Manager
Washoe County, Nevada
1001 E. Ninth Street
Reno, Nevada 89512

Washoe County, Nevada
Restructuring of Car Rental Fee Revenue Bonds
Replacement of Nevada Shared Radio System
General Obligation (Limited Tax) Sewer Bonds (SRF)
Downtown Master Plan Project

Dear Christine:

We are pleased to revise and amend our engagement as bond counsel and special counsel regarding disclosure to Washoe County, Nevada (the "County"), in connection with the above-captioned restructuring of the car rental fee revenue bonds ("Car Rental Bonds"), the replacement of the Nevada Shared Radio System (the "Radio System"), the General Obligation (Limited Tax) Sewer bonds to be sold to the State Revolving Fund (the "Sewer Bonds") and the financing for the Downtown Master Plan Project (the "Downtown Master Plan Project") and the financings for all of the above-captioned projects are collectively referred to herein as the "Bonds". This letter will operate as the form of agreement between the County and our firm and sets forth the role we propose to serve and the responsibilities we propose to assume as bond counsel with respect to the Bonds.

Scope of Services as Bond Counsel. Bond counsel is engaged as a recognized expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of the Bonds. As bond counsel to the County, we will prepare or examine all legal proceedings needed preliminary to and in the issuance of the Bond relating to the validity and enforceability thereof (the sale and final issuance of the Bonds and appropriate closing certificates). All proceedings that we prepare will be prepared in collaboration with you, the County's attorney, the County's financial consultant and other authorized representatives of the County. Our services as bond counsel also include an examination of an executed transcript of proceedings and such additional duties as we deem necessary to render our final approving opinion relating to the Bonds and the exclusion of the interest paid on the Bonds (subject to certain limitations which may be expressed in the opinion) from gross income for federal income tax purposes. Our opinion will be addressed to the County and will be executed and delivered by us in written form on the date the Bonds are exchanged for their purchase price (the "Closing"). The opinion will be based on facts and law existing as of its date.

SHERMAN & HOWARD

August 29, 2018

Page 2

Scope of Services as Special Counsel Regarding Disclosure. We are also being retained by you to act as special counsel to the County in connection with the official statement (the "Official Statement") for the Car Rental Bonds, the Radio System and the Downtown Master Plan Project if it is determined to need bonds for such projects pursuant to an Official Statement. As such, we will provide advice to the County on the applicable legal standards to be used in preparing the Official Statement and meeting the County's disclosure responsibilities. At the conclusion of the transaction we will deliver a letter to you stating that we have assisted the County in the preparation of the Official Statement and that in the course of such assistance, nothing has come to the attention of the attorneys in our firm rendering legal services in connection with our representation which leads us to believe that the Official Statement, as of its date (except for the financial statements, other statistical data and statements of trends and forecasts, and information concerning any bond insurer or The Depository Trust Company ("DTC") provided by DTC contained in the Official Statement and its Appendices, as to which we express no view), contains any untrue statement of material fact or omits to state any material fact necessary to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading. For the Sewer Bonds, the Sewer Bonds are expected to be sold to the State Revolving Fund and no Official Statement is expected.

In rendering our opinion and letter, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation. Our opinion and letter will be addressed to the County and will be executed and delivered by us in written form on the closing date. The opinion and letter will be based on facts and law existing as of their date.

Our services as bond counsel are limited to those contracted for explicitly herein; the County's execution of this letter constitutes an acknowledgment of those limitations. Specifically, but without implied limitation, our responsibilities do not include any representation by Sherman & Howard L.L.C. in connection with any IRS audit or any litigation involving the County or the Bonds. Nor do our services include financial advice (including advice about the structure of the Bonds, that being the role of the financial consultant). If such services are requested of us, we suggest that we discuss the nature and extent of those services and an estimate of our fee at the time of the request.

Attorney-Client Relationship. In performing our services as bond counsel, the County will be our client and an attorney-client relationship will exist between us. We will represent the interests of the County rather than its Board of Commissioners, its individual members, or the County's employees. We assume that other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction.

SHERMAN & HOWARD

August 29, 2018

Page 3

Conflicts of Interest. Since the Bonds have not yet been marketed, the actual purchasers of the Bonds (the "Purchasers") cannot be identified at this time. We want to advise you that it is likely that the eventual Purchasers will be an underwriter or other financial institution that has been, is currently, or will in the future be a client of this firm with respect to matters other than the proposed Bonds. Under the Nevada Rules of Professional Conduct (the "Rules"), we do not believe that our representation of the County will be either: (i) materially limited by the Purchasers being our clients on other matters, or (ii) directly adverse to the Purchasers under these circumstances because (a) the terms of the Bonds, the Official Statement, the authorizing document and our opinion will have been established prior to the acceptance of the low bids for the Bonds from the Purchasers, (b) the terms of said documents will not be modified in any material manner following the sale of the Bonds, and (c) all that remains to be completed subsequent to the Bond sale is the delivery of the Bonds to the Purchasers in accordance with the terms of the Official Statement and Notice of Sale.

In addition, our firm sometimes represents, in other unrelated transactions, certain of the financial institutions that may be involved in this Bond transaction, such as underwriters, credit enhancers, and banks that act as paying agents or trustees. We do not believe that any of these representations will materially limit or adversely affect our ability to represent the County in connection with the Bonds, even though such representations may be characterized as adverse under the Rules. In any event, during the term of our engagement hereunder, we will not accept a representation of any of these parties in any matter in which the County is an adverse party. However, pursuant to the Rules, we do ask that you consent to our representation of such parties in transactions that do not directly or indirectly involve the County. Your execution of this letter will signify the County's prospective consent to such adverse representations in matters unrelated to the Bonds while we are serving as bond counsel hereunder.

Proposed Fees. With respect to the Car Rental Bonds based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the responsibilities we will undertake pursuant to this letter, (iii) the time and labor we anticipate devoting to the financing, and (iv) the skill and experience required to complete the services properly, we estimate that our fee as bond counsel for the Car Rental Bonds is estimated to be between \$55,000 to \$75,000. Such fee may vary: (i) if the principal amount of Car Rental Bonds actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, (iii) the Car Rental Bonds are issued in more than one series, or (iv) if unusual or unforeseen circumstances arise which require a significant increase in our time or our responsibilities, *e.g.*, if the Car Rental Bonds are issued with unusual features (such as floating interest rate bond or "put" bond) or with unusual security (such as a letter of credit). In addition to our fee as bond counsel, our fee for performing services as special counsel to the County on matters regarding disclosure would be between \$40,000 and \$55,000 for the Car Rental Bonds.

SHERMAN & HOWARD

August 29, 2018

Page 4

Our fee for the Bonds (other than the Car Rental Bonds) will be determined by the amount of time we spend and the hourly rate of our charges on each series of Bonds. Our current hourly rates range from \$345 to \$680 depending on personnel experience and expertise. We will also bill for out-of-pocket expenses incurred which will include such items as any travel expenses, copywork expense, delivery expense and any other out-of-pocket expenses.

In the event the transaction is delayed and the Bonds are not delivered at Closing on or before December 31, 2018, it may be necessary for us to repeat and update much of our work and a commensurate increase in our fees will result. Any such revision of our fee as bond counsel would, however, be made only after obtaining your approval by a written amendment to this engagement letter.

In addition, this letter authorizes us to make disbursements on your behalf, which we estimate will not exceed \$500. The County agrees to reimburse us for such disbursements, including travel costs, photocopying, deliveries, filing fees, computer assisted research, and other necessary office expenses.

Our fees and expenses are usually paid at Closing out of Bond proceeds. We customarily do not submit any statement until the Closing, unless there is a substantial delay in completing the financing. If, for any reason, the financing is not consummated or is completed without the rendition of our opinion as bond counsel, we will expect to be compensated at our normal hourly rates (currently ranging from \$345 to \$680 depending on personnel) for time actually spent on your behalf, plus disbursements. Our fee is not contingent.

Document Retention. At or within a reasonable period after the Closing, we will review the file to determine what materials should be retained as a record of our representation and those which are no longer needed. We will provide you with a copy of the customary transcript of documents after Closing and will return any original documents obtained from you (if a copy is not included in the transcript). We will retain for several years a copy of the transcript and such other materials as correspondence, final substantive work product, documents obtained from you, and documents obtained from third parties. We will not retain such materials as duplicates of the above-described material or drafts that do not appear needed any longer.

Ordinarily the firm will keep the retained materials until seven years after the final maturity of the Bond. At the end of that time, unless you advise us in writing to the contrary, we will destroy the bulk of the file. If the file is especially voluminous, we may destroy all or portions of it earlier, as our storage facilities are limited. If you prefer other arrangements for retention or disposition of our files in this matter, please advise us in writing.

Personnel. Kendra Follett, who is a licensed Nevada lawyer and resident of our Reno office, will be the principal lawyer involved in performing bond counsel and disclosure

SHERMAN & HOWARD

August 29, 2018

Page 5

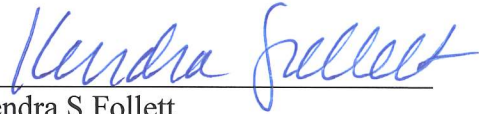
counsel services for you pursuant to this letter. She will report to and take direction from you, the County's Chief Financial Officer. Where appropriate, certain tasks may be performed by other attorneys or paralegals. In addition, Ms. Follett may be assisted in performing these legal services by lawyers in our non-Nevada offices who are not licensed to practice law in Nevada. Generally, these lawyers assist us in matters of federal tax law and federal securities law. We sometimes consult with these lawyers in attempting to resolve questions of municipal law and municipal finance law, and sometimes these lawyers also assist us in legal research and document drafting. In any event, our Nevada lawyers will be responsible for all legal services and legal work rendered to you pursuant to this letter and all formal legal opinions will be rendered and executed by Sherman & Howard L.L.C.

Termination of Engagement. Upon delivery of our approving opinion, our responsibilities as bond counsel will terminate with respect to the Bonds. At that time, our representation of the County and the attorney-client relationship created by this engagement letter will be concluded. Should the County seek the advice of bond counsel on a post-closing matter or seek other, additional legal services, we would be happy to discuss the nature and extent of our separate engagement at that time.

Approval. If the foregoing terms of this engagement are acceptable to you, please so indicate by returning the enclosed original of this letter signed by the officer so authorized, retaining the enclosed copy for your files.

We very much appreciate the opportunity to be of service to the County as bond counsel and special counsel regarding disclosure and look forward to working with you.

Sincerely,
SHERMAN & HOWARD L.L.C.

By: 
Kendra S Follett

Accepted this ____ day of _____, 2018.

WASHOE COUNTY, NEVADA

By: _____
Christine Vuletich, Assistant County Manager